



BUFFALO NIAGARA
PARTNERSHIP
Businesses United For Growth

May 12, 2006

The Hon. George D. Maziarz
New York State Senate
2578 Niagara Falls Boulevard
Wheatfield, New York 14304

Dear George:

On behalf of the 2,500 members of the Buffalo Niagara Partnership, I am writing to express strong opposition to your proposal (A10787/S7391) to force companies in New York State receiving IDA incentives to pay workers a “living wage.” IDA incentives exist in New York State to try to offset some of the sting of the largely state-imposed second-highest cost-of-doing-business in the United States. Mandating a living wage can negate much of the incentive benefit, and thus adds yet another burden to existing employers here; it also is just one more reason why new companies won’t locate here.

The Partnership agrees that the goal of the public sector, business community and labor unions should be to attract higher paying jobs for the region – in fact, that is a mission of our organization. But the answer is not the living wage political movement, which, added to a long list of other costly state-mandates, will only encourage more employers to downsize, move away or shut down operations.

Most independent economists say “living wage laws” reduce employment opportunities for lower-skilled workers, because employers will respond by eliminating jobs that do not produce enough profit to justify the higher wage or by hiring better-qualified workers. A March 2002 study by Michigan State University economist David Neumark, found that “living wage” laws reduce employment among low-wage workers by 7 percent.

Our members, who believe in this region and want to stay here and expand here, are finding it more and more difficult to make payroll. Yet, while we’re fighting for reform of Workers’ Comp and the Scaffold Law, your bill adds to a growing list of taxes, fees and regulations with which businesses in New York State must cope – and the timing couldn’t be worse, with a push statewide for approval of the “Fair Share for Health Care” bill.

Rather than adding more government-imposed regulations which will further alienate business and make New York less competitive, why not focus on the “Unshackle Upstate” reform we spoke about earlier this year?

On behalf of the members of the Partnership who employ more than 200,000 local people in this region, I urge you to withdraw your sponsorship of S7391, and urge your colleagues in the Assembly to do the same with A10787. We are already fighting an uphill battle in job retention and growth. This legislation is another boulder in our knapsack.

Sincerely,
Andrew J. Rudnick
President & CEO